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PATENT
Attorney Docket No.: 020375-050000US

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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES**

In re application of:

Steven L. VanFleet

Application No.: 10/825,971

Filed: April 16, 2004

For: METHODS AND SYSTEMS FOR
ONLINE TRANSACTION
PROCESSING

Confirmation No. 8224

Examiner: Augustin, Evens J.

Art Unit: 3621

APPELLANT REPLY BRIEF UNDER 37
CFR §41.41

Mail Stop Appeal Brief - Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

Appellant offers this Reply Brief in response to the Examiner's Answer mailed on May 31, 2006. The following remarks are intended to further focus the issues in this appeal.

1. Claims 1 – 7, 9, 14 – 23, and 25

The portion of the Answer captioned "Response to Argument" attempts to summarize the basis for the argument presented in the Appeal Brief (Answer, p. 9, ll. 11 – 17). It is respectfully noted that this summary is inaccurate. Appellants' argument is based on the fact that specifically recited limitations of the claims are not disclosed in O'Leary, a fact that is sufficient to demonstrate that the §102 rejections of Claims 1 – 7, 9, 14 – 23, and 25 are

improper. The overly broad portrayal of the argument in the Answer makes no reference to those claim limitations and glosses over details of the argument in characterizing it.

In addressing the observation in the Appeal Brief that the attempted correspondence in the §102 rejections between the “credential” recited in the claims and the “transaction ID” described in O’Leary is misplaced, the Answer offers two defenses: first, that claims should be interpreted as broadly as their terms reasonably allow during prosecution (*id.*, p. 9, l. 18 – p. 10, l. 2); and, second, that the Application itself suggests a broad interpretation of the term “credential” (*id.*, p. 10, ll. 2 – 4). Applicants agree with both these positions. But no matter how broadly “credential” is construed, these positions in no way eliminate the requirement that claim recitations involving how the credential is used must be disclosed in the prior art to support a §102 rejection.

As the Appeal Brief notes, the reason the attempted correspondence is misplaced is because O’Leary fails to disclose the claim limitations that recite how the credential is used, not because the physical structure of the “transaction ID” does not comport with the scope of the term “credential.” To restate the argument, independent Claims 1 and 14 both require “receiving ... a first information packet from the Internet merchant [that] comprises a credential assigned to the customer” and “determining from the credential ... account information that identifies a financial account maintained by the customer.” While the “transaction ID” of O’Leary may be received from a merchant, it does not permit determination of account information that identifies a financial account maintained by the customer. The Appeal Brief includes numerous examples where O’Leary actually teaches away from such a limitation because of its view that the merchant should never be in possession of a structure that permits determination of customer financial-account information (*see, e.g.*, Appeal Brief, p. 7, ll. 22 – 31, *citing* O’Leary, Col. 18, ll. 23 – 31; *id.*, p. 8, ll. 18 – 25, *citing* O’Leary, Col. 14, l. 47 – 58 and Col. 16, ll. 18 – 45). While Appellants recognize that such teaching away is not directly relevant to a §102 analysis, being usually more appropriate for a §103 analysis, its repeated nature causes O’Leary to be emphatic on the subject by stating directly that the limitation is not disclosed.

The “Response to Argument” in the Answer never addresses this combination of claim limitations specifically, merely noting instead that the “transaction ID” may be used to

match a received credit with a proposed purchase (Answer, p. 10, ll. 11 – 12). The separation of such a matching function from financial-account determination — which is performed with the Wallet functionality of O’Leary and not from the transaction ID — is at the heart of O’Leary’s distinction between “push” and “pull” methodologies. In discussing those methodologies, the Answer merely notes the intermediary role that the O’Leary system serves between merchant and buyer (*id.*, p. 10, l. 21 – p. 11, l. 2). It is respectfully believed that this intermediary functionality is irrelevant to the claim limitations and that the Answer is deficient in failing to recognize that the more important distinction O’Leary attempts to draw is the way the different methodologies handle how customer financial-account information is determined.

2. Claims 8, 10 – 13, and 24

The Answer appears to have withdrawn the Office’s reliance on *In re Larson* for its proposition that “making integral what had been made previously [is] not patentable.” Now, the Answer merely relies on Chien for its teaching of a loyalty system. The basis for rejection of Claims 10 – 13 thus now leaves completely unaddressed the limitation recited in independent Claim 10 that the payment network receive a first information packet that comprises both “an electronic file having encrypted content,” which when decrypted “identifies a financial account maintained by the customer,” and “transaction information.” As the Appeal Brief noted, O’Leary teaches separate receipt of two components, one from the user and one from the Internet merchant, and fails to teach receipt of “a first information packet” that includes both. Since this deficiency is not remedied by the additional citation of Chien, which is relied on only for its disclosure of loyalty functions, at least one of the limitations of independent Claim 10 is not taught by the cited art and no motivation has been articulated for modifying it to include that limitation.

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